

## REMARKS

The present invention is directed to an improved transaction and tracking protocol for sales of products and services over the internet. With this protocol, consumers that may desire to purchase a product or service over the internet are directed from a host site, which includes a web browser or a catalog listing and corresponding links to retail sites, to a retail site or page for additional information corresponding to the product or service. A switching protocol is employed to detect when an internet user has been referred to a retail site from a host site. This allows the host site to receive payment information from the consumer and send shipping information to the retailer, so that the retailer can execute the consumer's order. Use of this protocol allows the host site provider (rather than the retailer) to control money that it has generated for the retailer and hold the money until the transaction has been executed. After execution of the transaction, money received from the transaction, less a commission, is transferred from the host site provider to the retailer. This protocol favors a host site provider because the host site provider controls the money received from a consumer.

In contrast to Applicants' invention, United States Patent No. 6,029,141, issued to Bezos et al. on February 22, 2000 (Bezos et al.) discloses an internet-based referral system in which a host site refers a consumer to a retail site and a retailer collects payment and shipping information from a consumer, executes a sale of a product or service, and on a periodic basis, pays a commission to a host site provider. This protocol favors the retailer, who controls the money received as payment as a result of a purchase by a consumer referred to the vendor by the host site.

### Claim Objection

The Examiner objected to a minor typographical error in claim 5, which has herein been amended to obviate this rejection. Accordingly, Applicants request reconsideration and withdrawal of this objection.

### 35 U.S.C. 102 (b) Rejections

Claims 1-8 stand rejected under 35 U.S.C. 102(b) as being anticipated by Bezos et al. Applicants traverse this rejection.

The Examiner states that Bezos et al. teaches "arranging with a cooperating vendor web site to accept payment from the host site in return for the vendor web site's fulfillment of a customer purchase request made by a customer routed to the vendor web site via the host web site"... "transferring customer's payment information from the vendor web site to the host web site when the software on the vendor web site has determined that the customer has been routed to the vendor web site from the host web site"... "collecting the funds for the transaction by the host web site using the customer's payment information transferred in the preceding step"... and "transferring a percentage of the funds collected by the host web site to the vendor web site upon completion of the preceding step" as set forth in claim 1. Applicants disagree with the Examiner's interpretation of Bezos et al.

As discussed above, Bezos et al. teaches a system in which the vendor or retailer collects payment information, executes a transaction, and periodically pays a commission to a host site provider. Nowhere does Bezos et al. teach or suggest "arranging with a cooperating vendor web site to accept payment from the host site in return for the vendor web site's fulfillment of a

customer purchase request made by a customer routed to the vendor web site via the host web site" (emphasis added). The Examiner states that this is taught at the Abstract, column 1, lines 48-65; column 6, lines 21-30; column 7, lines 46-51; and column 9, lines 54-67. Applicants disagree. Bezos et al. teaches the vendor receiving payment directly from a consumer and then paying a commission to the host site provider. This procedure is opposite of the claimed invention, in which the host site provider collects payment from a consumer and then pays the vendor an amount paid by the consumer minus a commission. Similarly, Bezos et al. does not teach "transferring customer's payment information from the vendor web site to the host web site when the software on the vendor web site has determined that the customer has been routed to the vendor web site from the host web site." Rather, Bezos et al. teaches customers sending payment information to a vendor and having the vendor execute the order. In this situation, there is no need to send customer information to the host web site because the vendor retains payment, executes the order, and then sends a commission to the host site provider. Bezos et al. also does not teach "collecting the funds for the transaction by the host web site using the customer's payment information transferred in the preceding step." As noted above, Bezos et al. only teaches that funds are collected by the vendor--not the host site. Finally, "transferring a percentage of the funds collected by the host web site to the vendor web site upon completion of the preceding step" is not taught by Bezos et al. In contrast to the claimed invention, Bezos et al. teaches transferring a commission to the host site provider after receiving payment from a consumer rather than transferring funds from the host to the vendor. Accordingly, claim 1 and claims 2-9 that depend therefrom are neither taught nor suggested by Bezos et al. and Applicants respectfully request that the Examiner reconsider and withdraw this rejection to claims 1-8.

### 35 U.S.C. 103 (a) Rejection

Claim 9 stands rejected under 35 U.S.C. 103(a) as being unpatentable over Bezos et al. in view of Official Notice. Applicants traverse this rejection.

The Examiner states that Bezos et al. teaches all of the limitations of claim 1. For the reasons provided above, Applicants disagree. The Examiner further states that Bezos et al. does not teach tracking the status of each transaction, where the status can be obtained by commands on the host web site, but the Examiner takes Official Notice that providing *customers* with online tracking for orders submitted over a web site is old and well known in the art. Applicants submit that even if the Official Notice is true, it does not affect the patentability of claim 9, because the Official Notice does not teach or suggest "tracking the status of each transaction, where the status can be obtained by commands *on the host web site*" (emphasis added).

Claim 9 is furthermore not obvious over Bezos et al. in view of Official Notice because no combination of this information teaches or suggests each and every element of claim 1, from which claim 9 depends. In particular neither reference teaches or suggests "arranging with a cooperating vendor web site to accept payment from the host site in return for the vendor web site's fulfillment of a customer purchase request made by a customer routed to the vendor web site via the host web site"; or "transferring customer's payment information from the vendor web site to the host web site when the software on the vendor web site has determined that the customer has been routed to the vendor web site from the host web site"; or "collecting the funds for the transaction by the host web site using the customer's payment information transferred in the preceding step"; or "and transferring a percentage of the funds collected by the host web site

to the vendor web site upon completion of the preceding step." Applicants therefore request that the Examiner reconsider and withdraw this rejection to claim 9.

#### New Claims

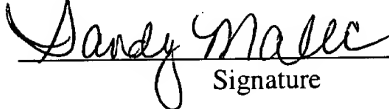
New claims 10-15 are patentable over the cited references because no combination of the references teaches or suggests "a retail system...comprising... an information transferring system for transferring the payment information to a host site provider" as set forth in claim 10, from which claims 11-13 depend or "a host system... wherein the host system, after receiving payment from the consumer, sends a portion of the payment to the vendor system" as set forth in claim 14, from which claim 15 depends. Accordingly, Applicants respectfully request allowance of new claims 10-15.

Conclusion

In view of the foregoing remarks, Applicants submit that the claims are allowable over the cited references and earnestly request allowance of all pending claims. The undersigned requests a phone call if for any reason one or more of the pending claims is considered to not be in condition for allowance.

I hereby certify that this correspondence is being deposited with the United States Postal Service as First Class Mail in an envelope addressed to the Assistant Commissioner for Patents, Box Non-Fee Amendment, Washington, D.C. 20231 on February 10, 2003.

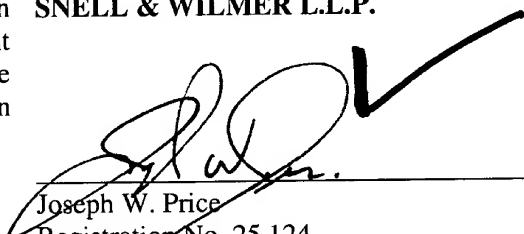
By: Sandy Malec

  
Signature

Dated: February 10, 2003

Very truly yours,

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## VERSION WITH MARKINGS TO SHOW CHANGES MADE

5. (Amended) The method of performing transactions over the internet of claim 1 wherein the step of [recognizing] providing software to be installed on the vendor web site to recognize when a customer has been routed to the vendor web site from the host web site comprises the recognition of a cookie placed on the customer's computer by the host web site.

10. (New) A internet-based system for implementing a remote transaction between a host site and a retail site, the system comprising:

a retail system configured to provide information on products or services provided by a retailer, the retail system including a retailer web page and software to recognize when a customer has been routed to the retailer web page from a host web site, the retail system further comprising:

an order receiving system for receiving order information placed by a consumer,

a payment information receiving system for receiving payment information from a consumer, and

an information transferring system for transferring the payment information to a host site provider; and

a host site system, including the host web site, configured to provide a link to a portion of the retailer web page, the host site system further comprising:

an information request system for requesting information received by the order receiving system; and

a payment collection system for receiving payment from a consumer.

11. (New) The internet-based system of claim 10, wherein the host site system further comprises a payment system to transfer funds from the host site system to the retail system.

12. (New) The internet-based system of claim 10, wherein the host site system further comprises a database system for storing information collected from the vendor web site.

13. (New) The internet-based system of claim 10, wherein the host site system further comprises a status system configured to determine a status of an order.

14. (New) A retail internet system for selling goods and services over the internet, the system comprising:

- a host system, including a host web site, for receiving payment from a consumer; and

- a vendor system for displaying information regarding the goods and services and for executing a transaction with the consumer to provide the goods and services,

- wherein the host system sends consumer information to the vendor system to enable the vendor system to execute the transaction, and

- wherein the host system, after receiving payment from the consumer, sends a portion of the payment to the vendor system.

15. (New) The retail internet system of claim 14, wherein the host system sends the portion of the payment to the vendor system after confirmation that the transaction has been executed.